

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF PROJECT MUTUAL TELEPHONE)	CASE NO. PRJ-T-03-1
COOPERATIVE ASSOCIATION, INC. FOR)	
BROADBAND TAX CREDIT)	
CERTIFICATION)	ORDER NO. 29318
)	

On July 16, 2003, Project Mutual Telephone Cooperative Association, Inc. filed an Application requesting that the Commission certify that certain telecommunication equipment it installed in 2002 is eligible for the broadband infrastructure tax credit authorized by *Idaho Code* § 63-3029.

Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing “qualified broadband equipment,” defined as network facilities that are capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. *Idaho Code* § 63-3029I(3)(b). To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment. *Idaho Code* § 63-3029I(4). To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001, identifying the information that must be included in an application so the Commission can determine whether the installed equipment qualifies for the tax credit.

Project Mutual’s Application states that during calendar year 2002 it installed fiber optic cable, fiber optic transceivers and multiplexers, Digital Subscriber Line (DSL) modems with supporting line cards, ports and cables. The Company also states that it installed wireless modems, antennae, optical laser multiplexers and an ATM switch providing ADSL and HDSL broadband service to customers in Minidoka and Cassia Counties. Project Mutual also capitalized the labor and overhead costs associated with the installation of this equipment.

The Commission Staff reviewed the broadband equipment identified by Project Mutual and stated that it believes the equipment is “necessary to the provision of broadband services and an integral part of a broadband network” according to *Idaho Code* § 63-3029I

(3)(b)(i) and thus, should be certified by the Commission as qualified broadband equipment pursuant to *Idaho Code* § 63-3029(I).

Having reviewed Project Mutual's Application and Staff's recommendation, we find that the Company's Application for a qualifying broadband equipment Order should be granted. The Company has adequately demonstrated that it installed the qualifying broadband equipment identified in its Application during 2002 in conformance with requirements set forth in *Idaho Code* § 63-3029I. We further find that as configured the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. It is therefore appropriate for the Commission to issue this Order confirming that Project Mutual has installed qualified broadband equipment as a precondition to seeking an investment tax credit.

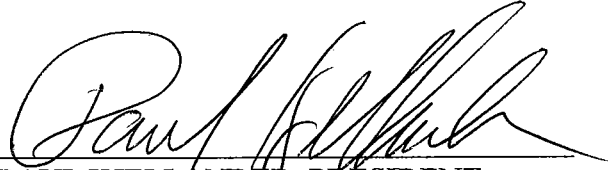
ORDER

IT IS HEREBY ORDERED that Project Mutual Telephone Cooperative Association, Inc.'s Application for an Order certifying that it has installed qualified broadband equipment is granted.


IT IS FURTHER ORDERED that the Commission Secretary will forward a copy of this Order along with a copy of the Application to the Idaho Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

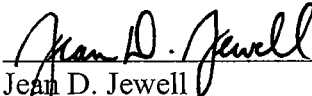
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of August 2003.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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